

**UNIVERSITY OF HOUSTON
INTERCOLLEGIATE ATHLETICS PROGRAM
INDEPENDENT ACCOUNTANTS' REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES
FOR THE YEAR ENDED AUGUST 31, 2022**

**UNIVERSITY OF HOUSTON
INTERCOLLEGIATE ATHLETICS PROGRAM
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**INDEPENDENT ACCOUNTANTS' REPORT ON THE
APPLICATION OF AGREED-UPON PROCEDURES**

Dr. Renu Khator, President,
University of Houston:

We have performed the procedures enumerated below on the accompanying Statement of Revenues and Expenses (the Statement, see Exhibit I) of the University of Houston (the University) Intercollegiate Athletics Program (the Program) in compliance with the National Collegiate Athletic Association's (NCAA) Bylaw 3.2.4.17 for the year ended August 31, 2022. The University's management is responsible for the accompanying Statement and the Statement's compliance with those requirements for the year ended August 31, 2022.

The University has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether the accompanying Statement is in compliance with the NCAA's Bylaw 3.2.4.17 for the year ended August 31, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Exceptions totaling the lesser of \$100,000 or 10% of the line item total to which an agreed-upon procedure has been applied to, other than exceptions related to internal control procedures of the Program, for which there are no thresholds, have been reported. The procedures and the associated findings are as follows:

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses

Procedure	Finding
All Revenue Categories	
<ul style="list-style-type: none"> Compare and agree each operating revenue category reported in the statement during the reporting period to supporting schedules provided by the Program. If a specific reporting category is less than 4.0% of the total revenues, no procedures are required for that specific category. 	No exceptions noted.
<ul style="list-style-type: none"> Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation. 	No exceptions noted.

Procedure

Finding

- Compare each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. Obtain and document an explanation of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

We noted no variations that exceed the thresholds for total revenues to prior period amounts. The budget estimates generated by the Program's ERP system are prepared in a format consistent with GAAP rather than in a format consistent with the revenue and expense categories specified by the NCAA. Thus, the variance analysis of total revenues to the budget estimates for the year ended August 31, 2022, was not performed. However, management does perform budget to actual comparison and analysis on a variety of budgetary bases throughout the fiscal year.

Ticket Sales

1. Compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Program in the statement and the related attendance figures and recalculate totals.

No exceptions noted.

Student Fees

2. Compare and agree student fees reported by the Program in the statement for the reporting to student enrollments during the same reporting period and recalculate totals.
3. Obtain documentation of Institute's methodology for allocating student fees to intercollegiate athletics programs.
4. If the Program is reporting that an allocation of student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

We were unable to perform the procedure as outlined; however, we noted that the Student Fees Advisory Committee determines the amount of student fees the Program receives. We agreed the amount to support from the Committee and noted no exceptions.

An understanding of the University's methodology was gained, and we noted the allocation was in accordance with the University's methodology.

No exceptions noted.

Direct State or Other Governmental Support

5. Compare direct state or other governmental support recorded by the Program during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

As there was no direct state or other governmental support for the year ended August 31, 2022, this procedure was not performed.

Procedure

Finding

Direct Institutional Support

6. Compare the direct institutional support recorded by the Program during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

No exceptions noted.

Transfers Back to Institution

7. Compare the transfers back to the institution with permanent transfers back to the institution from the Program and recalculate totals.

As there were no transfers back to institution for the year ended August 31, 2022, this procedure was not performed.

Indirect Institutional Support

8. Compare the indirect institutional support recorded by the Program during the reporting period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculate totals.

As there was no indirect institutional support for the year ended August 31, 2022, this procedure was not performed.

Guarantees

9. Select a sample of settlement reports for away games during the reporting period and agree each selection to the Program's general ledger and/or the statement and recalculate totals.
10. Select a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the Program's general ledger and/or the statement and recalculate totals.

As guarantees for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.

As guarantees for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.

Contributions

11. Any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitutes 10 percent or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting periods shall obtain and review supporting documentation for each contribution and recalculate totals.

No exceptions noted.

Procedure

Finding

In-Kind

12. Compare the in-kind recorded by the Program during the reporting period with a schedule of in-kind donations and recalculate totals.

As there were no in-kind revenues for the year ended August 31, 2022, this procedure was not performed.

Compensation and Benefits Provided by a Third-Party

13. Obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the Program and select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the Program's general ledger and/or the Summary and recalculate totals.

As there were no compensation and benefits provided by a third-party for the year ended August 31, 2022, this procedure was not performed.

Media Rights

14. Obtain and inspect agreements to understand the institution's total media (broadcast, television, radio) rights received by the Program or through their conference offices as reported in the statement.

As there were no media rights revenues for the year ended August 31, 2022, this procedure was not performed.

15. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the Program's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately.

As there were no media rights revenues for the year ended August 31, 2022, this procedure was not performed.

NCAA Distributions

16. Compare the amounts recorded in the revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

As NCAA distributions for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.

Conference Distributions and Conference Distributions of Football Bowl Generated Revenue

17. Obtain and inspect agreements related to the Program's conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions.

Agreements were obtained and an understanding of relevant terms and conditions was gained.

18. Compare and agree the related revenues to the Program's general ledger, and/or the statement and recalculate totals.

No exceptions noted.

Program Sales, Concessions, Novelty Sales and Parking

19. Compare the amount recorded in the revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.

As program sales, concessions, novelty sales and parking for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.

Procedure	Finding
Royalties, Licensing, Advertisements and Sponsorships	
20. Obtain and inspect agreements related to the Program’s participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period for relevant terms and conditions.	Agreements were obtained and an understanding of relevant terms and conditions was gained.
21. Compare and agree the related revenues to the Program’s general ledger, and/or the statement and recalculate totals.	No exceptions noted.
Sports Camp Revenues	
22. Inspect sports camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain documentation of the Program’s methodology for recording revenues from sports- camps.	As sports camp revenues for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.
23. Obtain schedules of camp participants and select a sample of individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the Program’s general ledger, and/or the statement and recalculate totals.	As sports camp revenues for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.
Athletics Restricted Endowment and Investment Income	
24. Obtain and inspect endowment agreements (if any) for relevant terms and conditions.	As athletics restricted endowment and investment income for the year ended August 31, 2022 was below 4% of total revenues, this procedure was not performed.
25. Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income deferred within the related endowment agreement and recalculate totals.	As athletics restricted endowment and investment income for the year ended August 31, 2022 was below 4% of total revenues, this procedure was not performed.
Other	
26. Perform minimum agreed-upon procedures referenced for all revenue categories and recalculate totals.	As other revenues for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.
Football Bowl Revenues	
27. Obtain and inspect agreements related to the Program’s revenues from post-season football bowl participation during the reporting period to gain an understanding of the relevant term and conditions.	As football bowl revenues for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.
28. Compare and agree the related revenues to the Program’s general ledger, and or the statement and recalculate totals.	As football bowl revenues for the year ended August 31, 2022 were below 4% of total revenues, this procedure was not performed.

Procedure

Finding

All Expense Categories

- Compare and agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution. If a specific reporting category is less than 4.0% of the total expenses, no procedures are required for that specific category.
- Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation.
- Compare each major expense account over 10% of the total expenses to prior period amounts and budget estimates. Obtain and document an explanation of any variations greater than 10%. Report the analysis as a supplement to the final Agreed-Upon procedures report.

No exceptions noted.

No exceptions noted.

We noted no variations that exceed the thresholds for total expenses to prior period amounts. The budget estimates generated by the Program's ERP system are prepared in a format consistent with GAAP rather than in a format consistent with the revenue and expense categories specified by the NCAA. Thus, the variance analysis of total expenses to the budget estimates for the year ended August 31, 2022, was not performed. However, management does perform budget to actual comparison and analysis on a variety of budgetary bases throughout the fiscal year.

Athletic Student Aid

29. Select a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40, and 20% of total student-athletes for institutions who have not, with a maximum sample size of 60) from the listing of institutional student aid recipients during the reporting period. Data should be captured by the institution through the creation of a squad/eligibility list for each sponsored sport.
30. Obtain individual student account detail for each selection and compare total aid in the institution's student system to the student's detail in CA or the institution report that ties directly to the NCAA Membership Financial Reporting System.

A sample of 39 student aid recipients was selected.

No exceptions noted.

Procedure	Finding
<p>31. <u>Division I Institutions Only:</u> Perform a check of each student selected to ensure their information was reported accurately in either the NCAA’s CA software or entered directly into the NCAA Membership Financial Reporting System using the following criteria:</p> <ul style="list-style-type: none"> • The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which is the total cost for tuition, fees, required course-related books, room and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value should already be calculated for you on the CRDE report labeled “Revenue Distribution Equivalent Award”. • Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount). • Other expenses related to attendance (also known as cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07). Note: for compliance purposes equivalencies may include other expenses related to attendance per Bylaw 15.02.2, however these expenses are not allowed to be included for revenue distribution equivalencies. • Full grant amount should be entered as a full year of tuition, not a semester or quarter. • Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00. • Athletic grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and football bowl subdivision football. 	<p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p> <p>No exceptions noted.</p>

Procedure	Finding
<ul style="list-style-type: none"> Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3. 	No exceptions noted.
<ul style="list-style-type: none"> Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component. 	No exceptions noted.
<ul style="list-style-type: none"> The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1). 	No exceptions noted.
<ul style="list-style-type: none"> If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes. 	As there were no discontinued sports for the year ended August 31, 2022, this procedure was not performed.
<ul style="list-style-type: none"> All equivalency calculations should be rounded to two decimal places. 	No exceptions noted.
<ul style="list-style-type: none"> If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution. 	No exceptions noted.
<ul style="list-style-type: none"> If a selected student received a Pell Grant, ensure the student's grant was included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System. 	No exceptions noted.
32. Recalculate totals for each sport and overall.	No exceptions noted.

Guarantees

33. Obtain and inspect visiting institution's away-game settlement reports received by the institution during the reporting period and agree related expenses to the Program's general ledger and/or the statement and recalculate totals.	As guarantees for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
34. Obtain and inspect contractual agreements pertaining to expenses recorded by the Program from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the institution to the Program's general ledger and/or the statement and recalculate totals.	As guarantees for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.

Procedure

Finding

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

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|---|---|
| 35. Obtain and inspect a listing of coaches employed by the Program and related entities during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing. | A listing of all coaches employed by the Program was obtained. A sample of five coaches for two pay periods each was selected, including the men's and women's basketball head coaches and the men's football head coach. |
| 36. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the Program and related entities in the statement during the reporting period. | No exceptions noted. |
| 37. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the Program and related entities expense recorded by the Program in the statement during the reporting period. | No exceptions noted. |
| 38. Compare and agree the totals recorded to any employment contracts executed for the sample selected and recalculate totals. | No exceptions noted. |

Coaching Other Compensation and Benefits Paid by a Third-Party

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| 39. Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of coaches' contracts that must include football, and men's and women's basketball from the listing. | As there were no coaching other compensation and benefits paid by a third-party for the year ended August 31, 2022, this procedure was not performed. |
| 40. Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Program in the statement during the reporting period. | As there were no coaching other compensation and benefits paid by a third-party for the year ended August 31, 2022, this procedure was not performed. |
| 41. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third-party recorded by the institution in the statement during the reporting period and recalculate totals. | As there were no coaching other compensation and benefits paid by a third-party for the year ended August 31, 2022, this procedure was not performed. |

Procedure	Finding
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities	
42. Select a sample of support staff/administrative personnel employed by the Program and related entities during the reporting period.	A sample of five support staff/administrative personnel for two pay periods each was selected.
43. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the Program and related entities expense recorded by the Program in the statement during the reporting period and recalculate totals.	No exceptions noted.
Support Staff/Administrative Other Compensation and Benefits Paid by a Third-Party	
44. Select a sample of support staff/administrative personnel employed by the third parties during the reporting period.	As there were no support staff/administrative other compensation and benefits paid by a third-party for the year ended August 31, 2022, this procedure was not performed.
45. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the Program in the statement during the reporting period and recalculate totals.	As there were no support staff/administrative other compensation and benefits paid by a third-party for the year ended August 31, 2022, this procedure was not performed.
Severance Payments	
46. Select a sample of employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals.	As there were no severance payments for the year ended August 31, 2022, this procedure was not performed.
Recruiting	
47. Obtain documentation of the Program's recruiting expense policies.	As recruiting expenses for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
48. Compare and agree to existing institutional- and NCAA-related policies.	As recruiting expenses for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
49. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.	As recruiting expenses for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.

Procedure	Finding
Team Travel	
50. Obtain documentation of the Program's team travel policies.	We obtained and documented an understanding of the Program's team travel policies.
51. Compare and agree to existing institutional- and NCAA-related policies.	No exceptions noted and policies are consistent with institutional and NCAA-related policies.
52. Obtain general ledger detail and compare to the total expenses reported and recalculate totals.	No exceptions noted.
Equipment, Uniforms and Supplies	
53. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As equipment, uniforms and supplies for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Game Expenses	
54. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As game expenses for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Fund Raising, Marketing and Promotion	
55. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As fund raising, marketing, and promotion for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Sports Camp Expenses	
56. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As sports camp expenses for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Spirit Groups	
57. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As there were no spirit groups expenses for the year ended August 31, 2022, this procedure was not performed.

Procedure	Finding
Athletic Facility Debt Service, Leases and Rental Fees	
58. Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements).	No exceptions noted.
59. Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals.	No exceptions noted.
Direct Overhead and Administrative Expenses	
60. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	No exceptions noted.
Indirect Institutional Support	
61. Tested with revenue section- Indirect Institutional Support.	As there was no indirect institutional support for the year ended August 31, 2022, this procedure was not performed.
Medical Expenses and Medical Insurance	
62. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As medical expenses and medical insurance for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Memberships and Dues	
63. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As memberships and dues for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Other Operating Expenses and Transfers to Institution	
64. Obtain general ledger detail and compare to the total expenses report. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As other operating expenses and transfers to institution for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.
Student-Athlete Meals (non-travel)	
65. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As student-athlete meals (non-travel) for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.

Procedure	Finding
Football Bowl Expenses	
66. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	As football bowl expenses for the year ended August 31, 2022 were below 4% of total expenses, this procedure was not performed.

Minimum Agreed-Upon Procedures For Other Reporting Items

Excess Transfers to Institution and Conference Realignment Expenses

67. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals.	No exceptions noted for conference realignment expenses. As there were no excess transfers to institution for the year ended August 31, 2022, this procedure was not performed.
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Total Athletics Related Debt

68. Obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained.	No exceptions noted.
69. Agree the total annual maturities and total outstanding athletic related to supporting documentation and the institution's general ledger, if applicable.	No exceptions noted.

Total Institutional Debt

70. Agree the total outstanding institutional debt to supporting documentation and the institution's audited financial statements, if available, or the institution's general ledger.	No exceptions noted.
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Value of Athletics Dedicated Endowments

71. Obtain a schedule of all athletics dedicated endowments maintained by the Program, the institution, and affiliated organizations. Agree the fair market value in the schedules(s) to supporting documentations, the general ledger(s) and audited financial statements, if available.	No exceptions noted.
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Value of Institutional Endowments

72. Agree the total fair market value of institutional endowments to supporting documentation, the institution's general ledger and/or audited financial statements, if available.	No exceptions noted.
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Procedure

Finding

Total Athletics Related Capital Expenditures

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| 73. Obtain a schedule of athletics related capital expenditures made by the Program, the institution, and affiliated organizations during the reporting period. | No exceptions noted. |
| 74. Obtain general ledger detail and compare to the total expenses reported. Select a sample of transactions to validate existence of transaction and accuracy of recording and recalculate totals. | No exceptions noted. |

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

In order for the NCAA to place reliance on the Division I financial reporting to calculate the Division I NCAA revenue distributions, which is a financial benefit to the institution, the following procedures are required:

1. Grants-in-Aid:
 - a. Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from Compliance Assistant (CA) or other report that supports the equivalency calculations from the institution between May and August. The NCAA Membership Financial Reporting System populates the sports from the NCAA Sports Sponsorship and Demographics Form as they are reported by the institution between May and August. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or other report that supports the equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. No exceptions noted.
 - b. Compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/-4%. We noted no variance exceeding the threshold.

Procedure

Finding

2. Sports Sponsorship:
 - a. Obtain the institution's Sports Sponsorship and Demographics Forms submitted to the NCAA for the reporting year between May and August. Validate that the countable NCAA sports reported by the institution met the minimum requirements, set forth in Bylaw 20.9.6.3, related to the number of contests and the number of participants. If the institution requested and/or received a waiver related to minimum contests or minimum participants for a sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. Once countable sports have been validated, ensure that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Note: Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA. No exceptions noted.
 - b. Compare current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance. No variance noted.
3. For Pell Grants:
 - a. Agree the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic Aid) and the total dollar amount of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. Note 1: Only Pell Grants for sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are countable. Note 2: Student-athletes should only be counted once even if the athlete participates in multiple sports. Note 3: Individual student-aid file testing in step 31 above should tie any selected student athletes who received Pell Grants back to the report of all student athlete Pell Grants to test the completeness and accuracy of the report. No exceptions noted.

Procedure	Finding
b. Compare current year Pell Grants total to prior year reported total per the Membership Financial Report submission. Inquire and document an explanation for any variance greater than +/- 20 grants.	We noted no variance exceeding the threshold.

Agreed-Upon Procedures Related to Affiliated and Outside Organizations

Procedure

1. The Program shall identify all intercollegiate athletics-related affiliated and outside organizations and obtain those organizations' statements for the reporting period. Once the Program has made these statements available, the independent accountant shall agree the amounts reported in the statement to the organization's general ledger or, alternatively, confirm revenues and expenses directly with a responsible official of the organization. In addition, the Program shall prepare a summary of revenues and expenses for or on behalf of intercollegiate athletics programs affiliated and outside organizations to be included with the agreed-upon procedures report.

Results

The Program identified the University of Houston Foundation (the Foundation) as the only athletics-related affiliated and outside organization making expenditures for, or on behalf of the Program or its employees. The Foundation serves as the official legal conduit for the acceptance, investment, and distribution of private gifts in support of the activities and programs of Program. For the year ended August 31, 2022, the Foundation recognized expenses of \$696,117 on behalf of the Program.

Finding

No exceptions noted.

Procedure

2. The independent accountant shall obtain and review the audited financial statements of the organization and any additional reports regarding internal control matters if the organization is audited independent of the agreed-upon procedures required by NCAA legislation. The Program's independent accountant shall also inquire of institutional and outside organization management as to corrective action taken in response to comments concerning internal control structure (if any).

Results

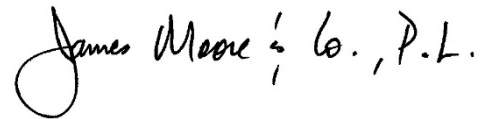
We noted that the audited financial statements of the Foundation for the year ended August 31, 2022 had not yet been released as of the date of the report; however, we obtained and read the audited financial statements of the Foundation for the year ended August 31, 2021. The results of this procedure disclosed that the independent auditors expressed an unmodified opinion on the financial statements of the Foundation.

Finding

No exceptions noted.

We were engaged by the University to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Statement of Revenues and Expenses (Exhibit I) of the University and the accompanying notes to the Statement of Revenues and Expenses (Exhibit II). Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large initial "J" and a stylized "M".

Gainesville, Florida
January 11, 2023

UNIVERSITY OF HOUSTON
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022
(UNAUDITED - SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS'
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)

	Football	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Revenues						
1 Ticket sales	\$ 2,587,469	\$ 1,630,968	\$ 26,806	\$ 262,656	\$ 683,680	\$ 5,191,579
2 Direct state or other governmental support	-	-	-	-	-	-
3 Student fees	-	-	-	-	8,513,075	8,513,075
4 Direct institutional support	-	-	-	-	39,938,875	39,938,875
5 Transfers back to institution	-	-	-	-	-	-
6 Indirect institutional support	-	-	-	-	-	-
6A Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	-	-
7 Guarantees	1,375,485	-	-	-	-	1,375,485
8 Contributions	618,720	569,510	10,210	735,685	5,641,638	7,575,763
9 In-kind	-	-	-	-	-	-
10 Compensation and benefits provided by a third-party	-	-	-	-	-	-
11 Media rights	-	-	-	-	-	-
12 NCAA distributions	-	-	-	-	1,954,888	1,954,888
13 Conference distributions (non media and non football bowl)	-	-	-	-	6,621,526	6,621,526
13A Conference distributions of football bowl generated revenue	-	-	-	-	-	-
14 Program, novelty, parking and concession sales	128,785	9,626	-	-	709,990	848,401
15 Royalties, licensing, advertisement and sponsorships	-	-	-	15,000	3,512,097	3,527,097
16 Sports camp revenues	109,250	121,017	12,993	251,840	-	495,100
17 Athletics restricted endowment and investment income	18,252	11,603	-	86,422	222,086	338,363
18 Other operating revenue	4,617	(6,699)	-	189,188	723,104	910,210
19 Football bowl revenues	797,724	-	-	-	-	797,724
Total operating revenues	<u>5,640,302</u>	<u>2,336,025</u>	<u>50,009</u>	<u>1,540,791</u>	<u>68,520,959</u>	<u>78,088,086</u>
Expenses						
20 Athletic student aid	3,454,721	528,077	638,254	4,284,012	200,569	9,105,633
21 Guarantees	600,000	861,167	59,245	47,748	-	1,568,160
22 Coaching salaries, benefits and bonuses paid by the university and related entities	7,889,369	4,580,678	809,132	3,327,998	-	16,607,177
23 Coaching salaries, benefits and bonuses paid by a third-party	-	-	-	-	-	-
24 Support staff and administrative compensation, benefits and bonuses paid by the university and related entities	1,852,288	1,252,677	257,590	560,136	8,663,206	12,585,897
25 Support staff and administrative compensation, benefits and bonuses paid by a third-party	-	-	-	-	-	-
26 Severance payments	-	-	-	-	-	-
27 Recruiting	290,250	116,273	71,457	260,915	37,337	776,232
28 Team travel	902,469	1,157,963	535,753	1,849,579	150,934	4,596,698
29 Sports equipment, uniforms and supplies	805,761	222,939	116,465	774,094	123,348	2,042,607
30 Game expenses	595,474	239,320	58,595	542,968	187,602	1,623,959
31 Fund raising, marketing and promotion	32,220	41,823	4,607	46,765	661,183	786,598
32 Sports camp expenses	28,042	58,992	-	83,648	-	170,682
33 Spirit groups	-	-	-	-	-	-
34 Athletic facilities debt service, leases and rental fee	-	-	-	-	6,351,071	6,351,071
35 Direct overhead and administrative expenses	972,717	432,334	180,754	812,397	9,564,068	11,962,270
36 Indirect institutional support	-	-	-	-	-	-
37 Medical expenses and insurance	15,609	8,743	-	21,324	1,200,773	1,246,449
38 Memberships and dues	2,230	140	-	8,844	17,588	28,802
39 Student-athlete meals (non-travel)	1,930,220	254,518	111,460	403,712	139,825	2,839,735
40 Other operating expenses	53,435	8,683	1,308	107,620	321,134	492,180
41 Football bowl expenses	739,248	-	-	-	-	739,248
41A Football bowl expenses - coaching compensation/bonuses	283,006	-	-	-	-	283,006
Total operating expenses	<u>20,447,059</u>	<u>9,764,327</u>	<u>2,844,620</u>	<u>13,131,760</u>	<u>27,618,638</u>	<u>73,806,404</u>
Results of operations	<u>\$ (14,806,757)</u>	<u>\$ (7,428,302)</u>	<u>\$ (2,794,611)</u>	<u>\$ (11,590,969)</u>	<u>\$ 40,902,321</u>	<u>4,281,682</u>
50 Excess transfers to institution						-
51 Conference realignment expenses						5,000,000
Excess (deficiency) of revenues over (under) expenses (see Note 5)						<u>\$ (718,318)</u>
Other reported items						
52 Total athletics related debt						<u>\$ 113,154,625</u>
53 Total institutional debt						<u>\$ 1,291,081,552</u>
54 Value of athletics dedicated endowments						<u>\$ 9,262,849</u>
55 Value of institutional endowments						<u>\$ 756,835,268</u>
56 Total athletics related capital expenditures						<u>\$ 88,480</u>

See accompanying notes to Statement of Revenues and Expenses.

**UNIVERSITY OF HOUSTON
INTERCOLLEGIATE ATHLETICS PROGRAM
NOTES TO STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022
(UNAUDITED – SEE ACCOMPANYING INDEPENDENT ACCOUNTANTS’
REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES)**

(5) **Surplus/Deficit Allocations:**

The Program is allowed to carry forward all available fund equity balances at the end of each fiscal year to the next fiscal year. Deficits are funded by the Program using the accumulated fund equity from sufficient net position available. The surplus fund balance was carried forward from prior fiscal years to fund the expenditures that resulted in the deficiency of revenues under expenses of \$(718,318) for the year ended August 31, 2022.

(6) **Conference Realignment Expenses:**

The Program incurred \$5,000,000 in conference exit fees during the year ended August 31, 2022 as a result of the Program’s acceptance of an invitation to join the Big 12 Conference and related withdrawal from the American Athletic Conference, which will take effect on July 1, 2024. The conference exit fees are reported as Conference Realignment Expenses in the statement of revenues and expenses.